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June 16, 2006

Via Telefax (212-637-3096) and Regular Mail; 2 Pages

Kedari Reddy
Assistant Regional Counsel
US EPA – Region II
290 Broadway; 17th Floor
New York, NY 10007

RE: Demand for Reimbursement of Past Costs
Lower Passaic River Study Area
Essex, Hudson, Bergen & Passaic Counties, New Jersey

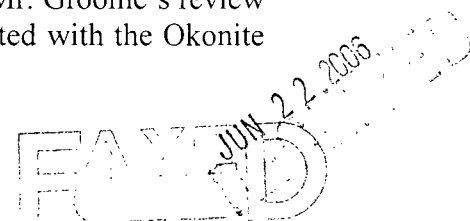
Dear Ms. Reddy:

This office represents Okonite Company, Inc. in connection with the above-referenced matter. We have been asked to respond to your letter dated June 2, 2006 seeking reimbursement from Okonite for costs expended in connection with the Lower Passaic River Study Area. For the reasons set forth below, we need further information from EPA before Okonite can make a reasoned decision concerning voluntary participation.

Okonite received a first "Notice of Potential Liability" for response actions associated with the Diamond Alkali Superfund Site from your office on November 9, 2005. By letter dated February 8, 2006, Okonite responded to that notice and asked that EPA furnish it with any information on which it based its determination that Okonite might be a PRP with respect to the site.

On February 10, 2006, James Groome, Okonite's Director of Safety and Environmental Programs, reviewed EPA's file relative to Okonite. Mr. Groome's review of EPA's file indicates that the only compounds in any way associated with the Okonite

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facility formerly located at 220 Passaic Street, 1940 Canal Street and Block 1076, Lots 1, 8, and 12 in Passaic New Jersey were found in sediments in a tributary to the Passaic River. These compounds included Poly-Aromatic Hydrocarbons and metals, the levels of which were found to be generally consistent with historic fill and background levels throughout northern New Jersey. Moreover, the fact that the compounds were found in sediments in a tidal waterbody within a highly industrialized watershed means that they could have come from any number of sources. There is, in fact, little if anything that indicates that they were associated with the former Okonite facility.

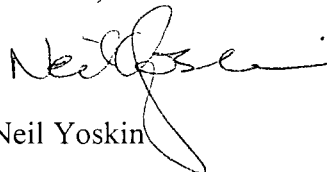
As you can imagine, Okonite requires a detailed understanding of why EPA considers it to be a PRP before it can make a decision as to whether to become a member of the Cooperating Parties Group and to participate in the Administrative Order of Consent. For that reason, we respectfully request that you provide us with all of the specific information upon which EPA based its determination that Okonite's operations and facilities may have contributed to the compounds and contaminants of concern associated with the Diamond Alkali and the Lower Passaic River Study Area.

We note in this regard that your November 9, 2005 letter references the Diamond Alkali site, and it is our understanding that the contaminants of concern associated with that facility are all dioxin related compounds. There is absolutely nothing in your records or in the records of the Okonite Company which would indicate that Okonite ever used, manufactured, stored or processed any dioxin related materials.

We look forward to your response. Please note that this letter does not constitute a refusal to participate in the Cooperating Parties Group, nor does it in any way waive any rights, remedies or defenses which Okonite may have.

Sincerely,

SOKOL, BEHOT & FIORENZO



Neil Yoskin

NY/cl

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